GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1328
ANSWERED ON:07.03.2008
SERVICE TAX FROM STOCK BROKERS
Jha Shri Raghunath

Will the Minister of FINANCE be pleased to state:

(a) whether some companies raised a sum of Rs. 45,137 crore during 2007 through the issues of Initial Public Offerings and paid commission to stock broking firms for marketing IPOs;

(b) whether those stock broking firms are not paying service tax;

(c) if so, action taken to recover the service tax from them; and

(d) the quantum of service tax due against stock broking firms indicating the names/addresses of the firms against whom service tax worth more than Rs. 10 lakhs and above is pending?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) 102 companies raised a sum of Rs. 34010.48 crore through initial public offerings (IPOs) during 2007 and paid commission to stock broking firms for marketing of the said IPOs.

(b) & (c) :Stock broking firms pay service tax. However, the service tax in respect of marketing of IPOs is not tracked separately.

(d) : Nil.